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An Act To Amend the Banking Laws Regarding the Establishment of Branches by Financial Institutions with Affiliates That Engage in Commercial Activity

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 9-B MRSA §131, sub-§6-B is enacted to read:

6-B. Commercial activity. “Commercial activity” means any activity in which a bank holding company, a financial holding company, a national bank or a national bank financial subsidiary may not engage under federal law.

Sec. 2. 9-B MRSA §331, sub-§2, as amended by PL 1997, c. 398, Pt. E, §1, is further amended to read:

2. Statewide branching. Subject to the conditions and limitations contained in this chapter, a financial institution may establish a branch office anywhere within this State, except that a financial institution may not establish a branch within 1.5 miles of any location of an affiliate where the affiliate engages in commercial activity and may not conduct any commercial activity at any branch.

Sec. 3. 9-B MRSA §376, sub-§3 is enacted to read:

3. Commercial activity prohibited. An out-of-state financial institution may not establish or maintain a branch in this State within 1.5 miles of any location of an affiliate where the affiliate engages in commercial activity.

SUMMARY

This bill adds “commercial activity” to the definitions included in the Maine banking laws and clarifies that out-of-state financial institutions and their affiliates, like Maine financial institutions and their affiliates, are prohibited from conducting any commercial activity at in-state branches and cannot establish a branch within 1.5 miles of the location of an affiliate where the affiliate engages in any commercial activity.